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PERSPECTIVE

Coverage for Gender-Affirming Care: Making Health Insurance Work for Transgender Americans

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Abstract

Many transgender Americans continue to remain uninsured or are underinsured because of payers' refusal to cover medically necessary, gender-affirming healthcare services—such as hormone therapy, mental health counseling, and reconstructive surgeries. Coverage refusal results in higher costs and poor health outcomes among transgender people who cannot access gender-affirming care. Research into the value of health insurance coverage for gender-affirming care for transgender individuals shows that the health benefits far outweigh the costs of insuring transition procedures. Although the Affordable Care Act explicitly protects health insurance for transgender individuals, these laws are being threatened; therefore, this article reviews their importance to transgender-inclusive healthcare coverage.

Keywords: cost-effectiveness, health insurance, LGBT, transgender

Introduction

Many U.S. health insurers categorically deny transgender enrollees access to a variety of healthcare services, especially gender-affirming care, despite the medical necessity and economic benefits of these services for the small, underserved transgender population. Such was the case for Regina, who first realized in middle school that she was different, but spent 2 decades feeling trapped in a male gender role that was not genuine to herself as a transgender woman. Her employer-based health insurance would not support her transition, which continually delayed her access to healthcare services that were necessary for a meaningful transition. When Regina decided to live openly as a woman, her marriage dissolved, she lost her health insurance coverage from her wife's employer, and her lifelong primary care doctor refused to help her with gender-affirming care.

Regina struggled to find health insurance after her transition. One plan cost more than $400/month, did not cover her asthma medication, and excluded coverage for gender-affirming care, including hormone prescriptions. She accumulated substantial debt to cover medication costs, and then began cutting doses to save money, which led to worsening asthma. She even contemplated selling her house to pay down debts.

Fortunately, Regina lives in Colorado, one of the 19 U.S. jurisdictions that ensures transgender individuals can access health insurance coverage. Once the GLBT (Gay, Lesbian, Bisexual and Transgender) Community Center of Colorado helped her navigate the state's insurance marketplace, she found an affordable plan covering her prescriptions and gender-affirming care. Today, Regina is in excellent health and has resumed her work as a sculptor and jewelry designer. ''I felt like I could breathe—that I could breathe financially, and finally get a plan that I could afford that would cover everything I needed,'' she says.

A Pressing Issue

The fact that many U.S. health insurers deny coverage for transgender healthcare services is contrary to the positions of several health professional associations, including the American Medical Association, American College of Physicians, American Psychiatric Association, and American Psychological Association.[1–4] These associations deem gender-affirming care for transgender people as medically necessary, which can be defined as ''health-care services or supplies needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.''[5] The treatments involved in gender affirmation, including hormone therapy, mental health counseling, and reconstructive surgeries, are outlined in the standards of care for the health of transsexual, transgender, and gender-nonconforming people maintained by the World Professional Association for Transgender Health (WPATH).[6]

Although medical experts recognize the importance of this care, some insurers deny claims for expensive reconstructive

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surgical procedures. Insurers that do not cover gender-affirming care frequently cite financial concerns, but a new study concludes that covering these services is cost-effective compared with the alternative of denying gender-affirming procedures and, instead, treating the negative consequences of transgender enrollees not being able to access the care that they need.[7] For many transgender individuals, access to gender-affirming healthcare is intimately related to well-being across a range of activities of daily life.[8] Transgender people who cannot access healthcare they need, because of poverty, insurance exclusions, or other discrimination, have high unemployment rates and experience health disparities that include frequent depression, drug abuse, HIV, and other conditions that are expensive to treat.[9,10] For instance, transgender women in the U.S. have 34.2 greater odds of living with HIV than other adults,[11] and according to the 2015 U.S. Transgender Survey Report, transgender individuals are nearly nine times more likely than the general U.S. population to attempt suicide.[10]

Many transgender people who have successfully accessed gender-affirming care still face insurance discrimination, particularly regarding coverage for preventive screenings associated with only one sex, such as prostate examinations and Papanicolaou (Pap) tests. Transgender women who have a prostate may require screenings for prostate cancer. Similarly, a transgender man could retain a cervix after changing his legal sex to male. Like any other person with a cervix, he still needs regular Pap tests. Many transgender men, however, encounter coverage denials for Pap tests and other procedures typically coded as ''female.''[12] Given that regular Pap tests are widely considered a cost-effective means of preventing cervical cancer, this is a clear example of the economic consequences of insurance practices that fail to reflect the medical needs of transgender patients.[13]

Recent findings support the conclusion that when costs of the negative consequences of untreated gender dysphoria are factored in, medically necessary care for transgender people is cost-effective.[7] A 2016 study found that the cost of not covering gender-affirming care for a transgender individual is $23,619 for a 10-year period.[7] This reflects the costs of common consequences for transgender individuals who cannot access gender-affirming care, including depression, unemployment, substance abuse, suicidality, and HIV infection. These consequences also include lower quality of life and shorter life expectancy: for the 10-year period, the individual gains only 6.49 quality-adjusted life years (QALYs) based on U.S. societal preference weights for health states such as depression.[7] With access to coverage for gender-affirming care, the cost per person is slightly higher—$31,816 for 10 years—but quality of life is improved (7.37 QALYs). These differences yield an incremental cost-effectiveness ratio of $9,314/QALY, which means that the marginally higher cost of covering gender-affirming care yields significant societal gains.

The U.S. thus has the opportunity to achieve significant health and societal gains by investing in gender-affirming care for the transgender population. This high-value care would cost U.S. society only $0.016 per person, per month: that is, paying $10,614—the difference between providing and not providing gender-affirming care—into a group insurance program (e.g., Medicaid) for each of an estimated 30,000 transgender individuals who would seek gender-affirming care in the 5 years after coverage is made available would amount to only $0.016 per month for the whole U.S. population of 320 million people.[7]

A Changing Policy Landscape

Despite historical insurance discrimination against transgender people, the landscape is changing rapidly. In 2014, an independent appeals board within the U.S. Department of Health and Human Services (HHS) struck down the National Coverage Determination prohibiting Medicare coverage of gender-affirming surgeries.[14] Since 2012, insurance regulators in 17 states and Washington, D.C. have issued bulletins clarifying that transgender-specific insurance exclusions are prohibited under state law, and many state Medicaid programs have similarly removed barriers to gender-affirming care.[15,16] Furthermore, the Federal Employees Health Benefits Program now does not allow categorical exclusion of gender transition services.[17]

Section 1557 of the Affordable Care Act has also affected the availability of insurance coverage for transgender individuals.[18] Section 1557 prohibits discrimination on the basis of sex by any health program or entity receiving federal financial assistance, including Medicare, Medicaid, and private insurance carriers participating in the Health Insurance Marketplaces.[16] In 2016, the HHS Office for Civil Rights delivered a final rule that Section 1557's protections against sex discrimination include gender identity and that the regulation bans categorical transgender insurance exclusions on the grounds that they discriminate on the basis of gender identity.[18] The regulation took effect on July 18, 2016, for Medicaid and was scheduled to apply to private insurers as of January 1, 2017.

Section 1557, like the Affordable Care Act itself, is now in jeopardy. In addition to congressional efforts to repeal the health reform law, on December 31, 2016, a federal judge issued a nationwide preliminary injunction placing federal enforcement of the regulation's protections for transgender individuals on hold.[19] Nevertheless, although the injunction prohibits the federal government from taking action to enforce Section 1557, transgender individuals can still bring lawsuits under the statute to allege discrimination on the basis of sex.

Employer-Sponsored Health Insurance

The employment sector is a major driver of changes in the availability of coverage for gender-affirming care. Responding to demand from private sector employers, many major insurance companies have developed inclusive policies.[20,21] A number of public employers now cover gender-affirming care, including the University of Michigan, the City of Atlanta, Multnomah County (Oregon), and the state of Massachusetts. Federal employment protections also play an increasingly important role. In 2012, the federal Equal Employment Opportunity Commission (EEOC) ruled that discrimination against transgender individuals is prohibited under Title VII of the Civil Rights Act of 1964.[22] The EEOC subsequently won a landmark 2016 case on behalf of a transgender employee, in which a federal court ruled that employer-sponsored plans that exclude gender-affirming care violate Title VII.[23]

The 2016 EEOC case is particularly important in the wake of the injunction against Section 1557, as federal employment

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law may have the necessary reach to require large companies that self-insure—and are thus exempt from state regulation and many Affordable Care Act requirements—to offer transgender-inclusive coverage. Many self-funded employer plans, including those offered by major employers such as The New York Times, continue to exclude coverage for gender-affirming care for their transgender employees.[24] In another example, Wal-Mart has become notorious for its poor employee coverage, and is the largest employer in several states that also have the fewest protections related to insurance coverage for transgender-related health services (e.g., Arkansas, Florida, Mississippi, North Carolina, and Texas).[25,26]

Future Solutions

Many private sector companies may still have the perception that covering gender-affirming care is a net financial loss. Others, especially socially conservative organizations, may claim moral objections to covering gender-affirming healthcare for transgender individuals. In looking at the bottom line, however, perhaps more companies will change their policies to cover gender-affirming care, given evidence pointing to the cost-effectiveness and low budget impact of providing this coverage.[7]

To help ensure that all transgender people can access the healthcare they need, particularly in the era of the Trump administration, state and local governments need to step up enforcement of existing laws that prohibit transgender-specific exclusions, and extend fully inclusive benefits to their transgender employees.

Healthcare providers also need to advocate for transgender people. Beginning in medical school, few providers receive proper training on addressing the needs of transgender people in primary care settings.[27] Even fewer are trained to diagnose gender dysphoria or assist patients with gender affirmation. Medical schools should teach about transgender care and develop training programs, including internships, residencies, and fellowships, that address the psychological, endocrine, surgical, and other aspects of gender-affirming care.[28]

Coverage for children and adolescents is another important area for future advances in gender-affirming care. Addressing gender dysphoria in childhood and adolescence prevents young people from experiencing the stress of pubertal changes at odds with their gender identity and can significantly reduce the need for medical intervention later in life to address unwanted secondary sex characteristics such as breast development and facial hair. Employers should ensure that the dependent coverage they offer includes treatments such as puberty suppressing medications, and state Medicaid and Children's Health Insurance Program, as well as colleges and universities, should also affirm that their coverage includes the full scope of services outlined in the WPATH standards of care.[6]

Conclusions

Former Vice President Joe Biden has referred to discrimination against transgender people as ''the civil rights issue of our time.''[29] The field of health is no exception—particularly because so many transgender people need access to gender-affirming medical services to live healthy and authentic lives.

Health insurance companies recognize the need to cover services such as chemotherapy for patients with cancer or high blood pressure screenings for people at risk of hypertension. The severe consequences of a lack of access to gender-affirming care show that the healthcare needs of transgender people are no less medically necessary. What is more, providing this coverage is cost-effective and results in a minimal budget impact to society, given the relatively small size of the transgender population.[30] As the U.S. health system evolves through reform battles and tightened healthcare budgets, all insurance plans and programs, whether public or private, need to act on the imperative to cover gender-affirming care for transgender people.

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